

# Secretary of Defense, Electronic Commerce Leaders “Launch” EC Day ‘99

**Electronic Commerce Changing the Face of America**

COLLIE J. JOHNSON

*“The pace of change in electronic commerce is the one stunning part of the revitalization of American business.”*

*—David W. Beier  
Chief Domestic Policy Advisor to  
The Vice President*

**E**lectronic commerce has changed the United States in ways this nation could never have imagined. DoD’s acquisition process, better known 10 years ago as a sinkhole for taxpayers’ dollars, is now according to David W. Beier, Chief Domestic Policy Advisor to The Vice President, on the brink of becoming the best in the world.



FROM LEFT: SECRETARY OF DEFENSE WILLIAM S. COHEN; DASD (CIO POLICY AND IMPLEMENTATION), DR. MARVIN J. LANGSTON; DLA DIRECTOR, ARMY LTG HENRY T. GLISSON; AND DISA DIRECTOR, ARMY LTG DAVID J. KELLEY LIGHT A VIRTUAL BIRTHDAY CAKE LAUNCHING EC DAY '99.

“Within five years the Department of Defense will be a leader in electronic commerce and will be the most effective electronic commerce business in the world.”

DoD’s total revamping and revitalization of the way it purchases goods and ser-

vices, particularly through electronic commerce, was cause for recognition and celebration. And celebrate they did, as Secretary of Defense William S. Cohen joined the Joint Electronic Commerce Program Office (JECPO) in marking EC Day 99, the second year the

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JECPO has set aside a special day to highlight electronic commerce. This year's event was held June 10 at the Ronald Reagan International Trade Center, Washington, D.C.

### **JECPO — From Idea to Action**

Ever since Secretary of Defense William S. Cohen unveiled the Defense Reform Initiative in November 1997, which identified electronic commerce as one of the best business practices available to take industry expertise and apply it to the business of defense, it's been "Business in Action" for the JECPO. Initially formed in January 1998, the office is organized under both the Defense Logistics Agency (DLA) and the Defense Information Systems Agency (DISA), and receives policy guidance from the DoD Chief Information Officer. Claudia "Scottie" Knott, DLA, is the JECPO director and served as this year's EC Day '99 organizer.

EC Day was established last year as a way to publicize, promote, and celebrate electronic commerce and the partnerships created between industry, business areas, and the JECPO. Besides showcasing the JECPO's yearlong efforts with an Electronic Commerce Expo featuring exhibits and demos, Knott and the JECPO recruited top leaders from government, industry, and academia to communicate their message — how electronic commerce has been used to support the warfighter, streamline business processes, trading partner interface, and the DoD business infrastructure.

New to this year's celebration was an awards ceremony [pp. 4-5] that highlighted electronic commerce achievements within DoD. Business area breakout sessions featured seven Track Presentations geared to the DoD business areas. A special crowd pleaser was the ceremonial lighting of a "virtual birthday cake" by Cohen and three of DoD's top leaders in electronic commerce.

Knott welcomed Cohen and a cadre of military, government, and private-sector chief executive officers and senior government officials throughout the day. "We have several outstanding speakers from both government and industry, a



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dynamic panel of experts on information assurance, over 30 different breakout sessions in a variety of different business areas, and more than 35 exhibit booths in the Exhibit Hall," she told the overflow crowd. (By the close of early registration, over 450 registrants had signed up, with many more visiting throughout the day.)

### **A Powerful Presence**

DoD's top leaders in electronic commerce played an active part in the day's events — Secretary of Defense William S. Cohen; Deputy Assistant Secretary of Defense (CIO Policy and Implementa-

tion), Dr. Marvin J. Langston; Deputy Under Secretary of Defense (Acquisition Reform) and Director, Defense Reform, Stan Z. Soloway; DLA Director, Army Lt. Gen. Henry T. Glisson; and DISA Director, Army Lt. Gen. David J. Kelley — all turned out to emphasize and underscore DoD's full commitment to integrating electronic commerce into every facet of the Department's business.

Secretary Cohen served as keynote speaker, sharing DoD's viewpoint on using electronic commerce to support the government's business processes. Citing DoD's E-Mall as a recent success story, he called it, "an amazing electronic mall that's now selling everything from socks to semiconductors with some \$27 million in sales to date."

Because of electronic commerce, DoD has dramatically reduced its overhead costs, he said, as well as times for delivery for countless agencies, vendors, and customers, and is now using credit cards for the vast majority of small purchases.

"Perhaps most importantly," he continued, "we are now rapidly approaching the point where we can say we're going to have a virtually paper-free contracting system by next year."

### **Harnessing Power of Microchip**

These were once simply lofty hopes, Cohen told the audience. "But we are turning those into reality. And I wanted to be here today and take this time, to tell you how grateful I am for the kind of dedication that you have demonstrated for the past year.

"It's always been said that the toughest thing about success is you have to keep on being successful. And that's what we're here today to talk about, not only the celebrating of our past, but about your potential."

Cohen said DoD has to continue to harness the power of the microchip, "so that our men and women in uniform can get what they need, when they need it, faster, better, cheaper than ever before. Therein," he concluded, "lies your essential mission."



# FIRST EVER ELECTRONIC CO

## 1999 Top Government-Industry



### BEST DoD ELECTRONIC BUSINESS WEB SITE

#### Web Invoicing System (WinS), Defense Finance and Accounting Center

THIS AWARD RECOGNIZES A DoD OPERATIONAL WEB SITE CONDUCTING BUSINESS TRANSACTIONS OVER THE INTERNET, RESULTING IN IMPROVED EFFICIENCY, DECREASED CYCLE TIME, OR INCREASED SERVICES. FROM LEFT: SOLOWAY; LANGSTON; DIANA BUTTREY.



### DoD ELECTRONIC COMMERCE PIONEER

#### Defense Medical Logistics Standard Support (DMLSS) Program

#### Office of the Secretary of Defense (Health Affairs), TRICARE Management Activity

THIS AWARD RECOGNIZES AN ELECTRONIC COMMERCE INITIATIVE THAT PUSHES THE CURRENT STATE OF EC TO REDUCE AN ANTIQUATED PARADIGM AND DEMONSTRATES A HIGH LEVEL OF INNOVATION AND GOVERNMENT CREATIVITY. FROM LEFT: STAN SOLOWAY; DUSD(AR); DR. MARVIN J. LANGSTON, DASD (CIO POLICY & IMPLEMENTATION); ARMY COL. JOHN CLARKE.



### BEST ELECTRONIC COMMERCE PARTNER CERTIFIED SMALL BUSINESS PARTNER

#### DoD Electronic Mall XML Demonstration Project

#### Defense Logistics Support Command & Product Data Integration Technologies, Inc.

THIS AWARD RECOGNIZES A DoD INDUSTRY CERTIFIED SMALL BUSINESS PARTNER WHO HAS MADE AN OUTSTANDING CONTRIBUTION TO A DoD EC EFFORT, AND HAS BEEN NOMINATED BY A DoD ORGANIZATION. FROM LEFT: SOLOWAY; PETER EVERITT; LANGSTON.



### BEST ELECTRONIC COMMERCE TEAM LARGE BUSINESS TEAM

#### Cargo Movement Operations System (CMOS), U.S. Air Force Headquarters Standard Systems Group/Integrated Logistics Program Office, Federal Express, Emery Worldwide & United Parcel Service

THIS AWARD RECOGNIZES THE TEAMING OF A GOVERNMENT AGENCY AND INDUSTRY FOR OUTSTANDING ACHIEVEMENT IN THE ADVANCEMENT OF EC PRINCIPLES OR APPLICATIONS WITHIN DoD. FROM LEFT: SHAUN CAULFIELD, UNITED PARCEL SERVICE; SOLOWAY; LANGSTON; MICHAEL McVEIGH, EMERY WORLDWIDE; WILLIAM ENDRES, FEDERAL EXPRESS; SUSAN KIRKLAND, U.S. AIR FORCE HEADQUARTERS STANDARD SYSTEMS GROUP.

# MMERCE (EC) DAY AWARDS

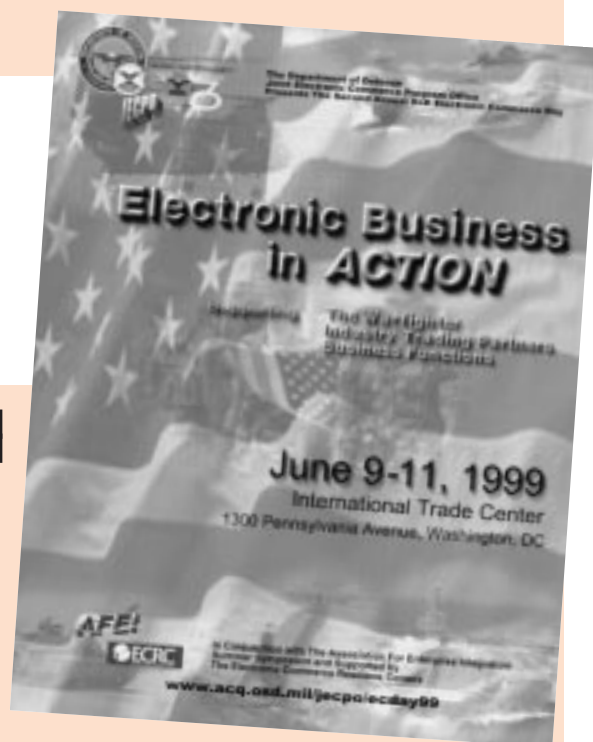
## y EC Initiatives Recognized



### BEST ELECTRONIC COMMERCE PARTNER LARGE BUSINESS PARTNER

**DoD Business Opportunities and Central  
Contractor Registration, Joint Electronic Commerce Program Office and  
PricewaterhouseCoopers**

THIS AWARD RECOGNIZES A DoD INDUSTRY LARGE BUSINESS PARTNER WHO HAS MADE AN OUTSTANDING CONTRIBUTION TO A DoD EC EFFORT, AND HAS BEEN NOMINATED BY A DoD ORGANIZATION. FROM LEFT: SOLOWAY; LANGSTON; WOOD PARKER.



### BEST ELECTRONIC COMMERCE TEAM CERTIFIED SMALL BUSINESS TEAM

**Defense Commissary Agency (DeCA) Interactive Business System (DIBS)  
Defense Commissary Agency & Bethel-Eckert Enterprises, Inc.**

THIS AWARD RECOGNIZES THE TEAMING OF A GOVERNMENT AGENCY AND INDUSTRY FOR OUTSTANDING ACHIEVEMENT IN THE ADVANCEMENT OF EC PRINCIPLES OR APPLICATIONS WITHIN DoD. **BELOW:** SOLOWAY; JEFFREY PERRY, DeCA; LANGSTON. **LOWER RIGHT:** SOLOWAY; SCOTT LAIRD, BETHEL-ECKERT ENTERPRISES, INC.; LANGSTON.



## The Way "Business Does Business"

Glisson, representing the logistics community, predicts a future of commercial off-the-shelf technology and "doing business the way that business does business." To get a first-hand look at government actually doing business the way "business does business," he urged everyone to stop by the Electronic Commerce Expo for a demo of DLA's new whole-body scanner and 3-D scanning software [pp. 8-9]. This system, which will be tested on Marine recruits, accurately extracts measurements and automatically selects uniform sizes—a giant step forward in reducing ordering lead time and inventory levels.

Glisson reaffirmed DLA's commitment to, "stay the course and to continue to leverage the power of electronic commerce to transform our logistics systems into the best in the world."

Kelley, Glisson's partner in running the JECPO, shared a startling statistic. "Electronic commerce generated in this country over the last year \$102 billion," he noted. "That is far more than anyone expected ... it is absolutely phenomenal, and I will tell you, that's just the beginning. And the work that's been done this past year—and I'm talking about the work done by the government as well as our industry partners—is really, I believe, leading the way."

Representing the Office of Defense Reform, Soloway said, "I would argue that the Department of Defense, in the last 12 months, was probably more changed by electronic commerce than in the last several decades combined."

Other leaders from government, industry, and academia speaking at the EC Day '99 General Session were David Beier, Chief Domestic Policy Advisor to the Vice President; Dr. Steve Kelman, John F. Kennedy School of Government, Harvard University (credited with starting electronic commerce within the Office of Management and Budget and the federal government); and Carl Alguire, Senior Vice President, Operations, Peapod, Inc., "America's Internet Grocer."

## World's Leader in Electronic Commerce

Beier represented Vice President Gore and the National Partnership for Reinventing Government. Electronic commerce, he believes, is changing the very face of America in terms of our level of prosperity, our level of understanding, and the level of opportunity to bring all Americans together in a more robust way in the future. In fact, Beier predicts that, "Within five years the Department of Defense will be a leader in electronic commerce and will be *the most effective electronic commerce business in the world*."

"You all have both the courage and the wisdom to be able to act," Beier told the audience, "by reducing the amount of paperwork, by listening to customers, by empowering the people within the defense establishment to make decisions—whether it's a smartcard or it's a procurement decision that's been guided by information obtained on the Web—all of those dramatic changes are things that you all can be very proud of."

Kelman, former Administrator for the Office of Federal Procurement Policy (referred to as "the godfather of reform" by Defense Reform Director, Stan Soloway) brought an academic perspective to EC Day '99.

"We obviously have had a number of early successes," he commented, "but we obviously still have a long way to go. We have learned from mistakes, said Kelman, "moved forward, and advanced in a way that we need to if we're going to bring about change. So those mistakes have been, in that sense, *good* mistakes."

"I am convinced that electronic commerce is going to be part of the way or

one of the techniques that we use to fulfill the promise of acquisition reform." And the promise of acquisition reform, Kelman said, "is to consistently deliver better value."

Alguire, an electronic commerce innovator in industry, spoke from his perspective as one of a growing number of electronic commerce entrepreneurs. Alguire's idea was to use electronic commerce to enhance the customer's shopping experience. In his words, he wanted to "continuously focus on servicing and improving our product, to create a better, faster, and cheaper alternative to standing in a long grocery line at the end of a long, hard day at work."

Peapod Inc., now does 98 percent of its sales over the Internet. "Over the years we have made a lot of mistakes," said Alguire, "and many more will be made. But each one has educated us and enhanced our experience. We must continue to take these risks if we are to continue to grow and develop."

Alguire said that today is the most exciting and important time in world history. Speaking for all electronic commerce innovators, anywhere, everywhere, Alguire commented, "*Whatever you can dream, whatever you can envision, and whatever you communicate, can today be done.*"

**Editor's Note:** For further information about electronic commerce, refer to the JECPO Web site at <http://www.acq.osd/mil/jecpo> or contact the Joint Electronic Commerce Information Center Program Office, 8725 John J. Kingman Road, Stop 6205, Fort Belvoir, Va. 22060-6205; E-mail [dodedi@hq.dla.mil](mailto:dodedi@hq.dla.mil); (800) EDI-3414 (Voice); (703) 275-5692 (Fax).

## JECPO — Here's What They've Been Up To in 1999!

- DoD E-Mail
- DoD BusOps Program
- Electronic Commerce Implementation of the DoD Information Assurance Public Key Infrastructure
- Y2K Readiness
- Purchase Card Electronic Data Interchange (EDI)
- Medical Logistics Prime Vendor Electronic Commerce Project
- Central Contractor Registration (CCR)
- Wide Area WorkFlow
- Past Performance Automated Information System
- Electronic Document Access (EDA) Logistics Business Systems.